



SUSTAINMENT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE

SUBJECT: Approved Defense Logistics Management Standards Change 1481, Revised
Procedures for Segregating Foreign Military Sales Requisitions at Disposition
Services

The Defense Logistics Management Standards change, as outlined in the attachment, is approved for implementation.

Addressees may direct questions to Steven Nace, e-mail: DEDSO.Supply@dla.mil.
Others must contact their designated PRC representative available at <https://www.dla.mil/Defense-Data-Standards/Committees/Contacts/>.

Stephanie Q. Howard, Brigadier General, USA
Performing the Duties of the Deputy Assistant
Secretary of Defense for Logistics

Attachment:
As stated

cc:
OUSD(C)
DLA J6D

Approved Defense Logistics Management Standards Change 1481 Revised Procedures for Segregating Foreign Military Sales Requisitions at Disposition Services

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION: Defense Logistics Agency (DLA) initiated:

a. **Technical POC:** Amanda Adams, DLA Information Operations, Amanda.Adams@dla.mil.

b. **Functional POC:** Chris McLachlan, DLA Disposition Services, Christopher.Mclachlan@dla.mil.

2. REASON FOR CHANGE:

a. **Bottom Line Up-Front:** This change updates procedures to support the segregation of excess personal property when requisitioned by Foreign Military Sales (FMS) customers. It leverages enhanced capabilities of DLA's new Warehouse Management System (WMS). **This change only impacts transactions between DLA Enterprise Business System (EBS) and WMS.**

b. **Background:** Approved DLMS changes (ADCs) 1156 and 1156A were fielded to automate EBS freeze notifications to the Distribution Standard System (DSS) to hold (freeze) Disposition Services inventory allocated to certain FMS customers. The process was developed due to the technical limitations of DSS. DSS has since been sunset for DLA Disposition Services field offices, and EBS now needs the capability to send FMS transactions to WMS to place the disposal turn-in document (DTID) identified materiel under FMS freeze and generate an FMS freeze placard/label which will print upon receipt of the transaction. This change updates the process flow, Defense Logistics Manual (DLM), and associated transactions.

3. CHANGE IN DETAIL:

a. Technical Details:

(1) Remove DLM 4000.25, Volume 2, Chapter 16 language and system programming regarding the need to relocate FMS related materiel shown in Enclosures 1 and 2.

(2) DLA Disposition Services transmits FMS freeze related information from the EBS to WMS. EBS will send WMS a DLMS 846C identified by a Disposition Sub-Category Code (DSC) and a two-position internal DLA Disposition Services FMS Freeze Code. The freeze code value is conveyed in 2/LQ02/3760, when 2/LQ01/3760 conveys DCS to communicate that a specific quantity of the DTID is being flagged for FMS. WMS will use the information provided in the 846C to freeze the specific quantity of the DTID from further disposition action pending final materiel release determination. Upon final determination of whether the requisition will be released or canceled, EBS will send a follow-up 846C to WMS that will release the FMS freeze.

b. **Revised Transaction Flow:** See Enclosure 3.

4. IMPLEMENTATION TARGET: Implement upon approval.

Coordination Response Requirement: PRC Representatives, include, with your response, an estimated timeline and estimated completion date to implement this change for each impacted system.

5. TECHNICAL IMPACT:

a. **Additions or Changes to Data Elements:** See Enclosure 2.

b. **Automated Information Systems (AIS):**

(1) DLA EBS

(2) DLA WMS

c. **Defense Automatic Addressing System (DAAS):** Update DAAS maps to reflect the changes documented in Enclosure 2, as necessary.

6. PUBLICATION/POLICY IMPACT:

a. **Defense Logistics Manual (DLM) 4000.25:** Update Volume 2, Chapter 16, Disposition Services as shown in Enclosure 1.

b. **Non-DLM 4000.25 Publications:** Review DLA SOP 4160.01-016 for potential update.

7. ASSUMPTIONS: This change and associated programming will be internal to DLA. The change does not impact on the personal property disposal process for any other DoD Component or trading partner.

8. FINANCIAL IMPROVEMENT AND AUDIT REMEDIATION (FIAR), MATERIAL WEAKNESS, AND AUDIT-RELATED INFORMATION: N/A

9. END-TO-END TESTING REQUIREMENTS: Standard transactional regression testing between DAAS, EBS, and WMS is required prior to full implementation of this change. DLA Disposition Services will notify this office when testing with each system is successfully conducted prior to release from test to production.

10. REFERENCES:

a. ADC 1156, DLA Disposition Services Procedures for the Foreign Military Sales (FMS) Case Number and New Indicators for FMS Freeze Information under Distribution Disposition Process Alignment (DDPA) Initiative.

b. ADC 1156A, Indicators for Foreign Military Sales (FMS) Information.

c. DLM 4000.25, Volume 2, Chapter 16.

11. PROPOSED DLMS CHANGE (PDC) 1481 RESPONSE/COMMENT RESOLUTION:
a. See Consolidated Comment Matrix, Enclosure 4

12. PROPOSED FUNDING REQUIREMENTS:

	Component	Response/Comment
1.	DLA	No Comment Provided
2.	US Air Force	No Comment Provided
3.	US Army	No Comment Provided
4.	USMC	No Comment Provided
5.	US Navy	No Comment Provided
6.	GSA	No Comment Provided
7.	USTRANSCOM	No Comment Provided
8.	DEDSO	No Comment Provided
9.	FAA	No Comment Provided
10.	SOCOM	No Comment Provided

13. IMPLEMENTATION TIMELINE AND ESTIMATED COMPLETION DATE:

	Component	Response/Comment
1.	DLA	Concurs without Comment
2.	US Air Force	No Response
3.	US Army	No Response
4.	USMC	Concurs without Comment
5.	US Navy	Concurs without Comment
6.	GSA	No Response
7.	USTRANSCOM	Concurs without Comment
8.	DEDSO	No Response
9.	FAA	No Response
10.	SOCOM	No Response

Enclosure 1, Defense Logistics Manual (DLM) Revisions

Changes are identified by ***bold red italics*** and single strike-through text.

Revise DLM 4000.25, Volume 2, Chapter 16, as shown.

[Preceding text not shown]

C16.2.2.1.2. FMS Requisitions of Reutilization Property. All requisitions sent to DLA Disposition Services for property assigned Disposition Category Code RU are considered free issue, except requisitions from Foreign Military Sales (FMS) customers. DLA Disposition Services supports two types of FMS Customers, identified as FMS Sales Case Customers and FMS Grant Case Customers. Both customers generate packing, crating, and handling (PC&H) costs; however, FMS Sales Case Customers are charged additional costs determined from the acquisition value of the NSN and factoring in the depreciation value based on the condition code, multiplied by the quantity on the Materiel Release. The FMS charges are calculated in EBS, then transferred to ~~DSS~~ ***WMS*** via DLMS 940R with the Present Market Value. Once ~~DSS~~-***WMS*** performs the good pick for the FMS requisition, ~~DSS~~-***WMS*** will send a DLMS 945A to EBS in addition to printing these charges on the bottom portion of the DD 1348-1A. The Present Market Value will identify FMS Costs and allow systems to convey this calculated value across multiple platforms for auditability. For FMS Sales Customers, this is the PC&H charges in addition to calculated sales charges. For FMS Grant Customers, the FMS Costs will identify only FMS PC&H charges. Passing this information will allow for proper financial accountability. Additionally, when the DD 1348-1A prints, the continuation sheet will include Foreign Military Sales Cost Information, printed as "FMS Costs". The funds appropriation/funds cite will be perpetuated to the field office on the DLMS 940R Materiel Release Order (MRO) at the time the item is issued. Conformance with standard line of accounting (SLOA)/accounting classification requires any initiation of a financial business event to include SLOA mandated standard financial information system (SFIS) elements.

[Intervening text not shown]

C16.2.4.8.3.2. Foreign Military Sales Customers. DLA Disposition Services supports FMS customers by passing the FMS Case Number. The FMS Case Number for Disposition Services is the concatenation of three separate and discrete data elements comprising the Security Cooperation (SC) Customer Code, the SC Implementing Agency Code, and the SC Case Designator. ~~EBSO has designed the DLMS transactions are employed for consistent use of these three data elements across multiple domains.~~ FMS customers with access to RTD Web have the option of freezing property by FMS Case number. The capability to freeze items is provided to facilitate the State Department approval process for FMS customer eligibility. During the approval process, the items are flagged as frozen both in DLA Disposition Services and at the field ***office and*** are not advertised on the RTD Web to other customers. Using RTD Web, DLA Disposition Services Battle Creek HQ FMS Office will create reports of all items that are currently frozen, and the field offices will have the ability to print a placard to place on the frozen items to ensure walk-in customers know the item is not available. If an FMS freeze is in place, the property will not be available for screening for any other customer.

[Intervening text not shown]

C16.2.4.8.3.2.1. During the FMS approval process performed by DLA Disposition Services Battle Creek HQ FMS Office, FMS Customers will require freezing inventory until the final approval of the FMS Case. This will be accomplished by RTD Web sending EBS the DLMS 511R requisition with the freeze code populated. Upon retrieval of the 511R from RTD Web to EBS, EBS will send ~~DSS~~ **WMS** a DLMS **846C with Disposition Sub-Category Code and a two-character FMS Freeze Code to communicate that a specific quantity of the DTID is being flagged for FMS. WMS will use the information provided in the 846C to freeze the specific quantity of the DTID supplied in the transaction from further disposition pending a final materiel release determination. Upon final determination of whether the materiel will be released to the customer, or the original requisition will be cancelled, EBS will send a follow up 846C, removing the two-character Disposition Sub-Category Code, informing WMS that the DTID freeze quantity can now be released.** 940S Materiel Staging Request to initiate freezing of the assets (Service Performed Code F with Event Identification F). The DLMS 940S must include the SC Customer Code, SC Implementing Agency Code, and SC Case Designator. These three pieces of information will be concatenated to construct the FMS Case Number (formatted as XX-X-XXX). The field office will also provide the specific warehouse location for this materiel. Once DSS receives the DLMS 940S directing the freeze action, DSS will relocate the asset to a FMS freeze area. When this action is finalized, DSS will provide a DLMS 943A Warehouse Service Advice with confirmation and print a re-warehouse label that will include the FMS Case Number and FMS asset identification, and affix this to the property.

~~C16.2.4.8.3.2.2. It may be necessary to relocate frozen materiel from one field office to another. When this occurs, DLA Disposition Services will provide a DLMS 527D PMR to the new location including the freeze indicator and the FMS Case Number data elements. These will be perpetuated to the DLMS 527R Receipt.~~

C16.2.4.8.3.2.3². Once the FMS customer receives approval to acquire the item, RTD Web will send EBS a notification to release the freeze for requisition (“unfreeze for requisition” action) for the FMS assets (via direct feed from RTD to EBS). Concurrently, RTD Web sends a requisition for that property to EBS. EBS will source the property to the FMS customer **by** sending ~~DSS~~ **WMS** the DLMS 940R to release the particular asset. ~~asset including a freeze indicator so that the property for this case is allocated from the FMS frozen warehouse location in DSS.~~

Enclosure 2

Revise the following DLMS Implementation Conventions (IC) as shown.

Additions are identified by ***bold italics*** and deletions by single strikethrough text.

#	Location	DLMS 4030 846C Disposition Category Update	Reason
1.	DLMS Introductory Note	<u>ADD ADC 1481 DLMS Introductory Note:</u> <i>- ADC 1481, Revised Procedures for Segregating Foreign Military Sales Requisitions at Disposition Services</i>	New DLA Disposition Services Requirement.
2.	2/REF01/1400	<u>Update DLMS Notes:</u> TN - Transaction Reference Number DLMS Note: <i>1. This is the controlling document number.</i> <i>2. Use to reference the original FMS requisition number.</i>	Needed to provide more specific uses when associated with a FMS transaction.
3.	2/LQ01/3760	<u>Update existing DLMS Note 1 and remove code CV and Note 2:</u> DCS - Disposition Sub-Category Code DLMS Notes: 1. DLA Disposition Services uses the Disposition Sub-Category Code to indicate how DLA Disposition Services ICP will process a release order based on the sub-category code passed. <i>The two-character code is used to identify both Commercial Venture and FMS Freeze related information and is determined by DLA Disposition Services.</i> The code value is conveyed in 2/LQ02/3760, where 2/LQ01/3760 conveys DCS. CV-Commercial Venture 2. At this time a local code DCS is established for use in 846C, version 4030. A data maintenance action has been submitted for establishment of 'DCS Disposition Sub-Category Code' in a future version.	New Disposition Services FMS Requirement

#	Location	940S Materiel Staging Request	Reason
1.	DLMS Introductory Note	<u>Remove ADC 1156 Introductory Note:</u> - ADC 1156, DLA Disposition Services Procedures for the Foreign Military Sales (FMS) Case Number and New Indicators for FMS Freeze Information under Distribution Disposition Process Alignment (DDPA) Initiative	No longer required.
2.	DLMS Introductory Note	<u>Add ADC 1481 to Introductory Note:</u> <i>- ADC 1481, Revised Procedures for Segregating Foreign Military Sales Requisitions at Disposition Services</i>	Change approved the removal of coding from ADC 1156.

#	Location	940S Materiel Staging Request	Reason
3.	1/N901/0900	<p><u>Remove code value F for existing Code QY:</u></p> <p>QY Service Performed Code DLMS Note: 1. Must use to identify the requested action applicable to this transaction set. Only one protection/re-warehousing/ staging/ picklist/ownership transfer action may be identified per transaction set and will be applicable to all document numbers included in the detail section of this transaction. Cite the applicable Service to be Performed Code in N902.</p> <p>Code F—DLA Disposition Freeze/Unfreeze Request (Refer to ADC 4156)</p>	No longer required.
4.	2/N901/0190	<p><u>Remove code values F and Z for existing Code EVI:</u></p> <p>EVI Event Identification DLMS Note: The event identification must be present at either the summary or detail level. F=Freeze Indicator. Applicable only to DLA Disposition Services materiel. Z=Unfreeze Indicator. Applicable only to DLA Disposition Services materiel.</p>	No longer required.
5.	2/N901/1500	<p><u>Remove DLMS Notes 2 and 3 associated with existing Code BO:</u></p> <p>BO Bin Location Number DLMS Note: 2. Must use when applicable to DLA Disposition Services Freeze/Unfreeze Action (Service Performed Code F). 3. May use multiple occurrences, as needed, if materiel is stored in separate locations.</p>	No longer required.
6.	2/FA1/2900	<p><u>Close FA1 segment by removing DLMS Note:</u></p> <p>DLMS Note: This segment is only applicable to DLA Disposition Services Freeze/Unfreeze Action (Service Performed Code F).</p>	No longer required.
7.	2/FA101/2900	<p><u>Remove Code DF and associated DLMS Note:</u></p> <p>Agency Qualifier Code DLMS Note: This data element is required for X12 syntax.</p> <p>DF Department of Defense (DoD) DLMS Note: Use to indicate that the Component is a Department of Defense agency, including Defense Logistics Agency. Refer to ADC 4156.</p>	No longer required.

#	Location	940S Materiel Staging Request	Reason
8.	2/FA102/2900	<u>Remove Code D340 and associated DLMS Note:</u> D340 Goods and Services Charge DLMS Note: Use for both materiel and related services.	No longer required.
9.	2/FA2/3000	<u>Close FA2 segment by removing DLMS Note:</u> DLMS Note: This segment is only applicable to DLA Disposition Services Freeze/Unfreeze Action (Service Performed Code F).	No longer required to support standard mapping used in the 940 transaction set for SC Implementing Agency, SC Customer Code, and SC Case Designator necessary to construct the FMS Case Number.
10.	2/FA201/3000	<u>Remove Codes IA, S1, and S2 along with associated DLMS Notes:</u> IA Security Cooperation Implementing Agency DLMS Note: 1. Use for DLA Disposition Services MRO/RDO for FMS requisitioned materiel with associated freeze action pending approval. Refer to ADC 1156. 2. Qualifier IA is a migration code approved for use in X12 version 7020. S1 Security Cooperation Customer Code DLMS Note: 1. Use for DLA Disposition Services MRO/RDO for FMS requisitioned materiel with associated freeze action pending approval. Refer to ADC 1156. 2. Qualifier S1 is a migration code approved for use in X12 version 7020. S2 Security Cooperation Case Designator DLMS Note: 1. Use for DLA Disposition Services MRO/RDO for FMS requisitioned materiel with associated freeze action pending approval. Refer to ADC 1156. 2. Qualifier S2 is a migration code approved for use in X12 version 7020.	Same as above.

#	Location	943A Warehouse Service Request	Reason
1.	DLMS Introductory Note	<u>Remove ADC 1156 DLMS Introductory Note:</u> — ADC 1156, DLA Disposition Services Procedures for the Foreign Military Sales (FMS) Case Number and New Indicators for FMS Freeze Information under Distribution Disposition Process Alignment (DDPA) Initiative	Remove Introductory Note.

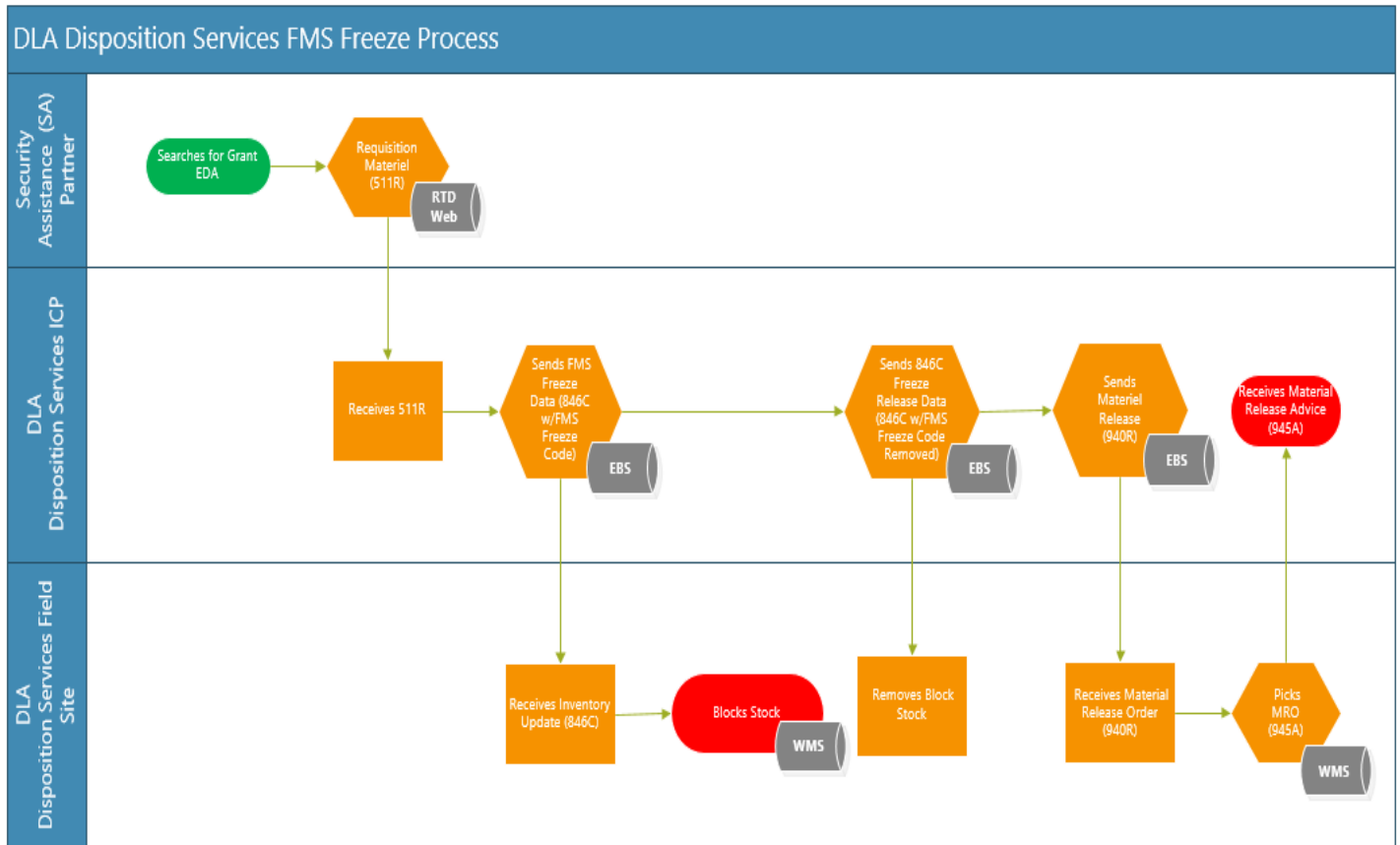
#	Location	943A Warehouse Service Request	Reason
2.	DLMS Introductory Note	<u>Add ADC 1481 to DLMS Introductory Note:</u> - <i>ADC 1481, Revised Procedures for Segregating Foreign Military Sales Requisitions at Disposition Services</i>	Change removed approved changes implemented in ADC 1156.
3.	1/N901/0900	<u>Remove code value F for existing Code QY and DLMS notes 1 and 3:</u> QY Service Performed Code DLMS Note: 1. Must use to identify the requested action applicable to a Warehouse Service Advice transaction providing status of re-warehousing/ protection, staging, or pick list assignment (Transaction Type Code ZS). Only one protection/ re-warehousing/staging/picklist/ownership transfer action may be identified per transaction set and will be applicable to all document numbers included in the detail section of this transaction. Cite the applicable Service to be Performed Code in N902. Only codes 1, 2, 3, 4, 5, 6, 7, 8, 9, B, F, and M may be used in N902 with Transaction Type Code ZS. 3. Following are the code values for N902: Code F—DLA Disposition Freeze/Unfreeze Request (Refer to ADC 1156)	No longer required.
4.	2/N901/0400	<u>Revise DLMS Note associated with existing Code BO:</u> BO Bin Location Number DLMS Note: 4. Must use to identify the frozen area storage location when applicable to DLA Disposition Services Freeze/Unfreeze Action (Service Performed Code F). <u>Remove code values F and Z for existing Code EVI and DLMS Note:</u> EVI Event Identification DLMS Note: 2. If Event identification may differ by document number if multiple document numbers are included. F—Freeze Indicator. Applicable only to DLA Disposition Services materiel Z—Unfreeze Indicator. Applicable only to DLA Disposition Services materiel	No longer required.

#	Location	DLMS 4030 856S Shipment Status	Reason
1.	DLMS Introductory Note	<u>Remove ADC 1156 and 1156A DLMS Introductory Notes:</u> — ADC 1156, DLA Disposition Services Procedures for the Foreign Military Sales (FMS) Case Number and New Indicators for FMS Freeze Information under Distribution Disposition Process Alignment (DDPA) Initiative — ADC 1156A Indicators for Foreign Military Sales (FMS) Information (Supply)	Remove Introductory Note.
2.	DLMS Introductory Note	<u>Add ADC 1481 to DLMS Introductory Note:</u> - <i>ADC 1481, Revised Procedures for Segregating Foreign Military Sales Requisitions at Disposition Services</i>	Change removes changes approved in ADCs 1156/1156A.
3.	2/REF01/1500	<u>Remove Code EVI and DLMS note:</u> EVI Event Identification DLMS Note: Use for DLA Disposition Services PMR for relocation of FMS requisitioned materiel with associated freeze action pending approval. The only applicable value for this transaction is Code F=Freeze Indicator. Refer to ADC 1156. <u>Remove current DLMS Note 2 and Renumber:</u> 2E Foreign Military Sales Case Number DLMS Note: 1. For DoD SLOA/Accounting Classification use to identify “Security Cooperation Case Designator”. Refer to ADC 1043. 2. Also applicable to For DLA Disposition Services shipment status for field office relocation of FMS requisitioned materiel with associated freeze action pending approval, use to identify the Security Cooperation Case Designator. Refer to ADC 1156A 3 2. Authorized DLMS enhancement; see introductory DLMS note 2f. <u>Remove DLMS Note 2 and Renumber:</u> SCC Security Cooperation Customer Code DLMS Note: 1. For DoD SLOA/Accounting Classification use to identify “Security Cooperation Customer Code”. Refer to ADC 1043. 2. Also applicable to DLA Disposition Services shipment status for field office relocation of FMS requisitioned materiel with associated freeze action pending approval. Refer to ADC 1156. 3 2. DLMS enhancement; see introductory DLMS note 2d. A field size exceeding 2 positions is not supportable under current MILSTRIP and MAPAC processes. Three-character codes are not authorized at this time.	No longer a Disposition Services requirement.

#	Location	DLMS 4030 856S Shipment Status	Reason
		<p>4 3. Qualifier SCC is a migration code approved for use in X12 version 7020.</p> <p><u>Remove DLMS Note 2 and Renumber:</u></p> <p>SCI Security Cooperation Implementing Agency DLMS Note:</p> <p>1. For DoD SLOA/Accounting Classification use to identify “Security Cooperation Implementing Agency”. Refer to ADC 1043.</p> <p>2. Also applicable to DLA Disposition Services shipment status for field office relocation of FMS requisitioned materiel with associated freeze action pending approval. Refer to ADC 1156.</p> <p>3-2. Authorized DLMS enhancement; see introductory DLMS note 2f. A field size exceeding 3 positions is not supportable under current MILSTRIP processes. Four- character codes are not authorized at this time.</p> <p>4 3. Qualifier SCI is a migration code approved for use in X12 version 7020.</p>	

Enclosure 3

Revised DLA Disposition Services FMS Freeze Transaction Flow.



Enclosure 4

ADC 1481 Comment Matrix

Component Input			Action Officer Response		
ORG	COMMENT	RECOMMENDED CHANGE	COMMENTOR	Accept or Reject	DEDSO Notes
DLA	Concur without Comment				As noted.
Air Force	No response/Concur				As noted.
Marine Corps	Concur without Comment				As noted.
Army	No response/Concur				As noted.
Air Force	No response/Concur				As noted.
Marine Corps	No response/Concur				As noted.
Navy	Concur without Comment				As noted.
DAAS	No response/Concur				As noted
USTRANSCOM	Concur without Comment				As noted.